



Public Notice

ND Medicaid Program

North Dakota State Law (Century Code Section 54-44.1-12) contains a provision for a budget allotment, should State revenue projections fall short of anticipated expenditures for the biennium. On Monday, February 1, 2016, the Office of Management Budget (OMB) released the revised revenue forecast. As a result of the revised revenue forecast, State agencies must reduce general fund expenditures. In order to comply with State Law, and the Constitution, the amount of the necessary savings is 4.05 %. For the Department of Human Services this equates to a \$53.95 million allotment. The budget changes must be made quickly as the allotment applies to expenditures for the 2015-2017 biennium.

The Department's allotment plan includes the following items, which impact payments to Medicaid providers:

The July 1, 2016 Provider Inflation will not be granted. This is effective for both Medicaid State Plan Services and Medicaid 1915 c Waiver services and is expected to save approximately \$16.1 million for a 12-month period.

The following North Dakota Medicaid 1915(c) Waivers are being amended to remove reference to provider inflationary rate increases that will not be granted on July 1, 2016:

- Autism Spectrum Disorder
- Children's Hospice
- Medicaid Waiver for Home and Community Based Services
- Technology Dependent
- Traditional Individuals with Intellectual Disabilities/Developmental Disabilities

This is effective for all service providers, including Qualified Services Providers that are funded through the above waivers.

In addition, the Home and Community Based Services and Traditional Individuals with Intellectual Disabilities /Developmental Disabilities waivers are being amended to adjust the homemaker fee for service rate.

Home and Community-Based Services (Qualified Services Providers) fee-for-service rates for homemaker services ONLY will be adjusted. The current rates are \$5.09 per 15 minutes for individual providers and \$6.99 for agency providers and will be reduced to \$3.00 per 15 minutes and \$3.45 per 15 minutes, respectively. Homemaker services are provided under the HCBS Medicaid waiver and the Traditional Developmental Disabilities Medicaid waiver. The fee for service rate was established using North Dakota mean hourly wage information for similar work obtained from the U.S. Bureau of Labor and Statistics. This change is expected to be effective on or after July 1, 2016. This reduction is expected to save approximately \$500,000 for a 12-month period.

The Medicaid Fee schedule for Ambulance Services was increased by a volume weighted average of approximately 13%, effective for dates of service July 1, 2015. This increase was approved by the 2015 Legislative Assembly, but is included in the allotment plan and is scheduled to end June 1, 2016. This change is expected to save approximately \$625,000 for the remainder of the biennium (through June 30, 2017).

The Medicaid Fee schedule for services provided by physical therapists, occupational therapists, and speech therapists was increased by a volume weighted average of approximately 21%, effective for dates of service July 1, 2015. This increase was approved by the 2015 Legislative Assembly, but is included in the allotment plan and is scheduled to end June 1, 2016. This change is expected to save approximately \$2 million for the remainder of the biennium (through June 30, 2017).

The June 2015 Medicaid rate notice included a planned increase in the limit for personal care provided by a residential provider. This increase will not be implemented on July 1, 2016. This is estimated to save \$62,000 for a 12-month period.

The January 1, 2017 Inflationary Increases for Nursing Facilities and Psychiatric Residential Treatment Facilities will not be granted. This is estimated to save approximately \$2.4 million for the six months from January 1, 2017 through June 30, 2017.

Effective January 1, 2017, rebasing, Operating Margin, and Incentive payments will not be included in the nursing home rates. This is estimated to save approximately \$4.8 million for the six months from January 1, 2017 through June 30, 2017.

Effective January 1, 2017, the operating margin within the rates for Basic Care Providers will be removed from the rates. This is estimated to save approximately \$160,000 for the period of January 1, 2017 through June 30, 2017.

Pharmacy Outpatient Rate Changes: On January 21, 2016 CMS issued a final rule requiring changes in how states reimburse Medicaid pharmacy costs. The deadline to implement is April 1, 2017; however the Department plans to implement this provision earlier to realize additional savings. This will result in a lower reimbursement for the product and a higher reimbursement for the professional dispensing fee. The Department intends to implement this change on or after July 1, 2016. This is estimated to save approximately \$200,000 for the remainder of the biennium (through June 30, 2017).

An increase in the capitated monthly rate paid for the Medicaid Expansion program, effective July 1, 2016, is estimated to cost more than \$25 million for the 12-month period.

Additional Medicaid Autism Waiver Slots authorized by the 2015 Legislative Assembly will not be filled. The additional slots added to increase the age limit of the Medicaid autism waiver WILL BE able to be filled. The additional slots to increase the age limit of the Medicaid autism waiver are estimated to cost \$700,000 for the remainder of the biennium (through June 30, 2017).

Consistent with how other State Medicaid agencies operate a Medicaid Managed Care program, the fee schedule used by Sanford Health Plan for Medicaid Expansion will be adjusted to be closer aligned to Medicaid. This transition will begin January 1, 2017. This adjusted is estimated to save \$30,000,000 for the period of January 1, 2017 through June 30, 2017.

The Medicaid professional fee schedule will be reduced to align with Medicare. The current North Dakota professional fee schedule exceeds 140% of Medicare. This impacts Evaluation and Management services, Physician services, and services performed by other providers/practitioners. Other providers/practitioners include: Audiologists, Chiropractors (x-rays), Clinical Nurse Specialists, Dietitians, Independent Laboratories, Independent x-ray Services, Licensed Addiction Counselors, Licensed Associate Professional Counselors, Licensed Professional Clinical Counselors, Licensed Social Workers, Licensed Independent Clinical Social Workers, Nurse Midwives, Nurse Practitioners, Opticians, Optometrists, Physician Assistants, Podiatrists, and Psychologists. This reduction in the professional fee schedule is estimated to be implemented on or after June 1, 2016 and is estimated to save approximately \$25.5 million for the remainder of the biennium (through June 30, 2017).

North Dakota Medicaid follows the National Correct Coding Initiative (NCCI) Edits. These edits were developed by the Centers for Medicare and Medicaid Services (CMS) based on coding conventions defined in the American Medical Association's Correct Procedure Terminology Manual, national and local policies and edits, coding guidelines developed by national societies, analysis of standard medical and surgical practices and a review of current coding practices. CMS annually updates the National Correct Coding Initiative Coding Policy Manual.

Effective July 1, 2016, reimbursement for Labor Epidurals (CPT® 01967) will be capped at a maximum of 75 minutes. This includes any repeat subarachnoid needle placement and drug injection and/or any necessary replacement of an epidural catheter during labor. According to the American Society of Anesthesiologists, time related to neuraxial labor anesthesia is different than operative anesthesia and the professional charges and payment policies should reasonably reflect the costs of providing labor anesthesia services as well as the intensity and time involved in preparation, insertion and monitoring of the epidural. The number of minutes and charges billed should only reflect the time the anesthesiologist or certified registered nurse anesthetist (CRNA) is present for preparation, insertion and monitoring of the epidural. Time submitted should not reflect the full time the epidural catheter is in unless complications are present that require the constant attendance of the anesthesiologist or CRNA. This change is expected to have a minimal fiscal impact.

Effective July 1, 2016, North Dakota Medicaid providers of services to individuals with Developmental Disabilities will receive rate enhancements, which includes those authorized and appropriated by the 2015 Legislative Assembly. The rate enhancements are estimated to cost \$4.7 million for a 12-month period. The rate enhancements are a result of six different funding targets identified by the Legislative Assembly to receive additional funding. The six areas are: (1) Children with Intense Medical Needs, (2) Children with Challenging Behavioral Needs, (3) Children who are Severely Medically Fragile, (4) Individuals residing in Family

Homes with Intense Medical Needs, (5) Individuals residing in Adult Residential settings with Intense Medical Needs, and (6) Providers who serve clients with Critical Needs.

Effective July 1, 2016, Clinic (behavioral health clinic) services will receive a two percent inflationary increase. This is estimated to cost approximately \$400,000 for the 12 month period.

Effective on or after July 1, 2016, in accordance with existing Medicaid state plan authority, annual cost information will be collected from dental clinic providers. This is estimated to have a minimal fiscal impact.

On or after July 1, 2016, North Dakota Medicaid plans to implement Version 32 of the APR-DRG Grouper. The implementation of the new Grouper is estimated to be budget neutral or have a minimal impact on rates for Prospective Payment Hospitals.

The supplemental payment for State Fiscal Year 2017 will be continued for critical access hospitals; the estimated cost is \$1 million for the 12-month period.

Fee schedules for services are on the Department of Human Services web site at:
<http://www.nd.gov/dhs/services/medicalserv/medicaid/provider-fee-schedules.html>

Comments can be sent to and viewed at: Medical Services Division Room 309, ND Department of Human Services, 600 E Boulevard Ave Dept 325, Bismarck, ND 58505-0250. Questions may be directed to the local county social service office, or individuals may contact the ND Medicaid Program at 1-800-755-2604.

Date Posted: April 25, 2016